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SCOTT ELLIOTT

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May 24, 2007

Posted.

Date.

Time: _S(

VIA HAND DELIVERY

Charles L. A. Terreni, Esquire Chief Clerk and Administrator Public Service Commission of South Carolina 101 Executive Center Dr., Suite 100 Columbia, SC 29210

RE:

Application of New Horizons Communications Corporation Authority to Operate as a Reseller of Interexchange Telecommunication Services within the State of South Carolina and to be Regulated in Accordance with Procedures Established for Alternative Regulation in Order No. 97-1734 and 96-55 in docket No. 95-661-C

Docket No.: 2007-20-C

Dear Mr. Terreni:

Enclosed for filing on behalf of New Horizons Communications Corporation, please find Exceptions to Proposed Order, Brief and Request for Oral Argument in the above referenced action. By copy of this letter I am serving all parties of record.

I have enclosed an extra copy of the exceptions which I would ask you to date stamp and return to me via my courier. If you have any questions or if I may provide you with any additional information, please do not hesitate to contact me. Thank you.

Sincerely,

ELLIOTT & EXLIOTT, PA

Scott Elliott

RECEIVED

MAY 2 5 2007

PSC SC DOCKETING DEPT.

SE/jcl

Enclosures

cc: Shannon B. Hudson, Esq. w/enc.

BEFORE

THE PUBLIC SERVICE COMMISSION

OF SOUTH CAROLINA

DOCKET NO.: 2007-20-C

IN RE:

Application of New Horizons
Communications Corporation
for Authority to Operate as a
Reseller of Interexchange
Telecommunications Services within)
the State of South Carolina and for
Alternative Regulation

)

Exceptions to Proposed Order, Brief and Request for Oral Argument

New Horizons Communications Corporation ("New Horizons" or "Applicant") applied for a Certificate of Public Convenience and Necessity authorizing it to provide resold interexchange telecommunications services within South Carolina. By proposed order dated May 3, 2007, the hearing examiner recommends denial of New Horizons' application. For the reasons hereinafter set out, New Horizons excepts to the hearing examiner's findings, conclusions and proposed order, requests oral argument before the full Commission and prays that New Horizons be granted a Certificate of Public Convenience and Necessity.

This matter was heard before the hearing examiner April 30, 2007. Present were the Applicant's witness Glen Nelson and Applicant's attorney Scott Elliott. Also present was Shannon Bowyer Hudson, counsel for the Office of Regulatory Staff ("ORS"). Prior to the hearing, the parties reached a settlement agreement which, based upon the complete analysis and audit of the application by the ORS, agreed that New Horizons should be granted a Certificate of Public Convenience and Necessity; the parties sought approval of their agreement from the hearing examiner.

In the record before the hearing examiner were the application together with tariffs filed in the matter and the parties' settlement agreement. Testifying was Glen Nelson only. The ORS offered no testimony and declined to cross-examine the witness. The hearing examiner, however, did examine the witness.

The hearing examiner's examination focused on two areas. First, the hearing examiner examined Mr. Nelson on the owner's equity appearing on the balance sheet. The hearing examiner overlooked the Applicant's profit and loss statement.

Second, the hearing examiner examined Mr. Nelson on the status of the bankruptcy of a company with the apparent name of CTC Communications ("CTC"). When asked by the hearing examiner for his opinion of the legal status of this bankruptcy, Mr. Nelson, who is not a lawyer, testified that the bankruptcy was "resolved" (Transcript at p.24, 1.23). Importantly, the hearing examiner did not submit any documentary evidence of the bankruptcy to the parties or the witness prior to the hearing or during his examination, nor did the hearing officer admit any documentary evidence concerning the bankruptcy into the record. The hearing officer overlooked his duty to provide notice to the Applicant and its witness of any matter upon which he was to be examined in this proceeding.

While the hearing examiner makes no findings concerning Mr. Nelson's credibility, the clear inference from the order challenges Mr. Nelson's credibility. To question Mr. Nelson's credibility infects the hearing examiner's findings concerning New Horizons' financial capacity. Both are error.

CTC BANKRUPTCY

First, the status of CTC bears no relevance to these proceedings. While the founder of New Horizons' had formerly founded CTC, the record shows no connection between the two

companies. The CTC bankruptcy was a collateral matter to these proceedings and therefore immaterial and irrelevant. Questions concerning this bankruptcy were error. S.C.Code Ann. Section 1-23-330(1). See Dreher, *A Guide to Evidence Law in South Carolina*, pp. 14-15 (1967).

Second, there is simply no evidence of the CTC bankruptcy in the record of these proceedings. Neither the Applicant nor the ORS, the only parties to the proceeding, introduced any evidence of the bankruptcy into the record. While the hearing examiner makes reference to a bankruptcy order, he never produced it for the parties or submitted it in the record. Reference to matters outside the record was error. S.C.Code Ann. Section 1-23-380(A)(5)(e).

Third, the hearing examiner failed to provide the parties with notice of any order or other documentation upon which he intended to rely in reaching his decision. The parties were thus deprived of the notice to which they were entitled. S.C.Code Ann. Section 1-23-330(4).

Certainly, the witness was entitled to review any documentary evidence upon which the hearing examiner intended to impeach him. The bankruptcy order in question was not provided to Mr. Nelson so as to permit him to explain his answer. The hearing examiner erred in this regard.

Fourth, the proposed order fails to recite the nature of the findings and conclusions of the bankruptcy order upon which the hearing examiner relies as impeachment evidence. Indeed, the proposed order is devoid of any explanation of the bankruptcy order. We are left to speculate that the bankruptcy order finds or concludes that CTC remains in bankruptcy. Indeed, upon this record, CTC may have emerged from bankruptcy long ago. To the point, the hearing examiner states that CTC has "clearly" evolved into OneCom Corporation. However, if CTC has evolved into a successor corporation, it compels the conclusion that, in fact, the CTC bankruptcy has been resolved.

In this regard, Mr. Nelson testified that CTC entered bankruptcy in 2002. He further testified that the bankruptcy was long since resolved and that CTC was purchased by Columbia Venture Capital. Last, Mr. Nelson testified that CTC now operates as One Communications or OneCom (Transcript at p.24, 1.23 – p. 25, 1.6).

For an understanding of Mr. Nelson's testimony, the Commission must look outside the record in this case. The public record of the Georgia Public Service Commission fully The Georgia Public Service Commission approved an corroborates Mr. Nelson's testimony. application by CTC whereby CTC became an indirect wholly owned subsidiary of Columbia Ventures Corporation and its subsidiary CV Broadband LLC. See Georgia Public Service Commission letter order dated September 4, 2003, attached as Exhibit B. The Georgia Public Service Commission based its order on the representation contained in the application filed August 19, 2003, which provided that CTC required approval of its application prior to CTC's emerging from bankruptcy. See CTC Application attached as Exhibit A. By letter dated December 19, 2003, CTC advised the Georgia Public Service Commission that on December 16, 2003, CTC emerged from bankruptcy and was acquired by CV Broadband LLC, the subsidiary of Columbia Ventures Corporation. See CTC letter dated December 19, 2003, attached as Exhibit C. Notwithstanding the possibility that certain issues linger in the bankruptcy docket, the fact remains that CTC long ago emerged from bankruptcy and continues to operate. Thus, Mr. Nelson, a layman, would be perfectly justified in believing and testifying that the bankruptcy had been "resolved." In addition, as can be seen from its filing with the Georgia Public Service Commission dated August 8, 2006, CTC adopted the business name of "One Communications". See CTC correspondence of August 8, 2006, attached as Exhibit D. It is equally clear that Mr. Nelson testified truthfully in this regard. Mr. Nelson was a credible witness and any inference or finding drawn to the contrary was error.

FINANCIAL CAPABILITY

Having created questions concerning the witness' testimony where none exists, the hearing examiner found and concluded that the Applicant lacked the financial capability to operate. Respectfully, the hearing examiner misapprehended the nature of the applicable law controlling his examination of the Application and overlooked relevant and material evidence of record.

First, the hearing examiner relied upon the incorrect standard in denying New Horizons application. S.C. Code Ann. Section 58-9-280(B)(1) provides that the Commission "may" require an applicant to show that he has the "financial resources" required to provide interexchange services. The term "financial capability" employed by the hearing examiner is neither defined in his proposed order nor by statutory or decisional law. His use of this standard was error.

The hearing examiner examined Mr. Nelson concerning the Applicant's liabilities on its balance sheet. In explaining the balance sheet at the hearing, the witness explained that the negative balances were the result of accounting for the owner's equity, amounts owing on a revolving line of credit and accounts receivables. Mr. Nelson testified that the bulk of the liabilities are amounts owed to New Horizons' founder whom the witness described as the primary investor in the company. In addition, the liabilities include a revolving line of credit with Presidential Finance which provides a revolving line of credit of up to \$1.4 million per month. Last, the liabilities include accounts receivables (Transcript at p.23, ll. 3-18). Mr.

Nelson further explained that the Applicant's bad debt is a figure of less than ½ of 1% (Transcript p.23, 1. 24- p. 24 l. 7). There is no other explanation in the record. Certainly, one would expect a start up company to rely heavily on the financial resources of its founder. It is the fact that the founder had invested heavily in the Applicant which serves as the best evidence of New Horizons' financial resources which is amply corroborated by the fact that New Horizons has not been denied authority in any state in which it has applied.

The hearing examiner or any administrative tribunal must make findings sufficiently detailed to enable a court to determine whether the findings are supported by the evidence and whether the law has been properly applied to those findings. Moreover, these findings must be specific, express findings of fact. Porter v. South Carolina Public Service Commission, 333 SC 12, 507 S.E. 2nd 328, (1998). Here, the hearing examiner's finding that New Horizons lacked financial capability is insufficient to explain his basis for denying the certificate. As stated above, the hearing examiner has failed to apply the correct legal standard to this finding. Further, the hearing examiner's order reveals no impact from Applicant's liabilities on its ability to provide services. The hearing examiner can point to no default of payment by New Horizons. Nor does the hearing examiner's order reveal any failure by New Horizons to provide service where certificated.

To the contrary, the profit and loss statement and testimony of record overlooked by the hearing officer shows that New Horizons is meeting its obligations. Mr. Nelson testified that New Horizons has a Dunn and Bradstreet rating of "Class 1". Mr. Nelson explained that New Horizons commercial rating is 95 out of 100 (100 being the highest rating). In addition, Mr. Nelson testified that New Horizons' Paydex index which measures the promptness with which New Horizons pays its bills is classified as Prompt, Dunn and Bradstreet's highest degree of

corporate payables (Transcript at p.19, ll.1-7). Mr. Nelson also testified that the Applicant had become profitable 18 months after its inception in 2002 (Transcript at p. 18, ll.7-13). These facts are corroborated by the profit and loss statement in the record and were overlooked by the hearing examiner.

Thus, the Applicant counts among its financial resources the investment by its principal owner, a substantial line of credit and accounts receivable with an excellent payment history. The Applicant maintains its profitability. The Applicant pays its debts. The Applicant's financial resources meet the standards required by this Commission, and the hearing examiner's finding and conclusion thereabout were error.

It is respectfully submitted that the hearing examiner injected himself into these proceedings as an advocate. It is axiomatic that a judicial tribunal must make an objective inquiry into the matters before it. However, a judicial officer is not an advocate. Certainly, a judicial officer is justified in questioning the witness to clarify the record. Here, the hearing examiner misapprehended his role and entered the fray as an advocate, cross-examining the witness upon irrelevant and immaterial matters and matters outside the record. Having lost his objective perspective, he conducted himself zealously rather than judicially. The hearing examiner acted outside his authority. R 103 - 841.

For the foregoing reasons, the Applicant New Horizons Communications Corporation respectfully excepts to the findings and conclusions of the hearing examiner. The findings, inferences, conclusions, and the proposed order are:

- a) in violation of constitutional and statutory provisions;
- b) in excess of the statutory authority of the agency;
- c) made upon unlawful procedure;

d) affected by other error of law;

e) clearly erroneous in view of the reliable, probative, and substantial evidence on

the whole record; and

f) arbitrary, capricious and characterized by abuse of discretion or clearly

unwarranted exercise of discretion;

all in violation of SC Code Ann. Section 1-23-380.

Accordingly, the Applicant requests oral argument before the full Commission and based

on the foregoing prays for an order granting New Horizons a Certificate of Public Convenience

and Necessity for the authority to operate as a reseller of interexchange telecommunications

services within the State of South Carolina and for such other and further relief as is apparent

upon the record herein.

Respectfully submitted,

Scott Elliott, Esquire Elliott & Elliott, P.A.

721 Olive Street

Columbia, SC 29205

803-771-0555

803-771-8010

May 24, 2007

8

CERTIFICATE OF SERVICE

The undersigned employee of Elliott & Elliott, P.A. does hereby certify that she has served below listed parties with a copy of the pleading(s) indicated below by mailing a copy of same to them in the United States mail, by regular mail, with sufficient postage affixed thereto and return address clearly marked on the date indicated below:

RE:

Application of New Horizons Communications Corporation

Authority to Operate as a Reseller of Interexchange Telecommunication Services within the State of South Carolina and to be Regulated in Accordance with

Procedures Established for Alternative Regulation in Order

No. 97-1734 and 96-55 in docket no. 95-661-C

DOCKET NO.:

2007-20-C

PARTIES SERVED:

Shannon B. Hudson, Esquire

Office of Regulatory Staff

PO Box 11263

Columbia, SC 29211

PLEADING:

EXCEPTIONS TO PROPOSED ORDER, BRIEF

AND REQUEST FOR ORAL ARGUMENT

May 24, 2007

Scott Elliott

EXHIBIT A

Telacommunications
E Commerce
Technology
Composite & Finance

Trademarke

Proprietery Alphia

Complex Litigation

General Business Law

The Helein Law Group, P.C.

8180 Greensboro Drive Suite 700 McLean, VA 22102

(703) 714-1300 (Telephone) (703) 714-1330 (Facsimile) mail@thlglaw.com

Management Consulting Group GTC Consultants, Inc. (703) 714-1307 (Telephone)

Writer's Direct Dial Number

(703) 714-1313

589 Writer's Email Address

August 18, 2003

YIA OVERNIGHT DELIVERY

Reece McAlister, Executive Secretary Georgia Public Service Commission 244 Washington Street, S.W. Atlanta, Georgia 30334 RECEIVED

E003 6 1 DUA

EXECUTIVE SECARTARY

RE: Columbia Ventures Broadband LLC and CTC Communications Corp.

Dear Mr. McAlister:

Communications Corp. ("CTC Communications" and, together with CV Broadband, the "Parties"), through their undersigned counsel, hereby advise the Commission and, to the extent necessary, respectfully request that the Commission grant authority to permit the Parties to consummate a series of transactions through which CTC Communications will emerge from bankruptcy and, immediately after emergence, become an indirect wholly owned subsidiary of CV Broadband and indirect wholly owned subsidiary of CV Broadband's parent, Columbia Ventures Corporation ("CV Corp."). As described below, because the proposed transactions will be completed at the holding company level and will not change the rates, terms or conditions of CTC Communications' services, the proposed transactions will be entirely transparent with respect to services provided to CTC Communications' customers.

Since October 3, 2002, CTC Communications has been operating under the protection of the United States Bankruptcy Code in a case pending in the Bankruptcy Court for the District of Delaware ("Bankruptcy Court"). The transactions described below are expected to provide CTC Communications and its affiliates with access to the capital required to allow those entities to emerge from bankruptcy and thereby ensure that CTC Communications' telecommunications customers will continue to

receive services on an uninterrupted basis. Because the proposed transactions will allow CTC Communications to continue to provide high quality services in Georgia by allowing CTC Communications to emerge from bankruptcy and resume its earlier growth as a competitor in the Georgia marketplace, the proposed transactions serve the public interest. In order for CTC Communications to emerge and to eliminate any further erosion of CTC Communications' existing customer base, however, the Parties have an urgent need to complete the proposed transactions as soon as possible. Accordingly, the Parties respectfully request that the Commission grant any necessary authority expeditiously in order to allow the Parties to consummate the proposed transactions as soon as possible.

An original and fifteen (15) copies of this filing are enclosed. Please date stamp and return the enclosed extra copy of this filing in the enclosed self-addressed stamped envelope.

The Parties further state as follows:

I. THE PARTIES

A. Columbia Ventures Broadband LLC

Columbia Ventures Broadband LLC ("CV Broadband") is a limited liability company organized and existing under the laws of the State of Washington with offices located at 16703 S.E. McGillivray Boulevard, Suite 210, Vancouver, Washington 98683. CV Broadband is a wholly owned subsidiary of Columbia Ventures Corporation ("CV Corp."), a Washington corporation also located at 16703 S.E. McGillivray Boulevard, Suite 210, Vancouver, Washington 98683.

As demonstrated below, CV Broadband is well qualified managerially, technically and financially to own and control CTC Communications.

1. Managerial Qualifications

CV Broadband possesses the qualifications necessary to manage CTC Communications and provide competitive telecommunications services throughout the company's service territory.

Kenneth D. Peterson, Jr. is the owner and Chief Executive Officer of Columbia Ventures Corporation ("CV Corp."), an independent holding company with broad domestic and global interests in telecommunications and other industries. Mr. Peterson is also Manager and President of CV Broadband.

Mr. Peterson has applied his extensive managerial experience to various

industries, most recently to the telecommunications industry. Mr. Peterson is presently a member of the Board of Directors of several telecommunications enterprises, including: Globalstar Australia, a satellite telephony and data services provider offering services throughout Australia; PocketiNet Communications, Inc., a fixed wireless Internet Service Provider serving rural markets in the Pacific Northwest; Og Vodafone, a full-service, publicly traded competitive telecommunications company in Iceland; and, the group of companies making up Hibernia Atlantic, a state-of-the-art fiber optic cable between North America and Europe. Mr. Peterson is also the Manager of Fiberlink, LLC, the owner/operator of a 300-mile dark optical fiber network in and between Spokane, Washington and Coeur D'Alene, Idaho.

Prior to expanding into telecommunications, Mr. Peterson served at different times as the CEO, President or General Manager of various businesses which involved the smelting, extrusion, finishing and fabricating of aluminum, including: Columbia Aluminum Corporation (1987-1996); Columbia Pacific Aluminum Corporation, City of Industry (1989-2000); Modesto (1989-2000); Watsonville (1993-2000); Columbia Aluminum Products, Inc. (1989-2000). Since 1988, Mr. Peterson has served as President of Columbia Extrusion Corporation (n/k/a Columbia Commercial Building Products). During 1997-1998, Mr. Peterson's firm, CV Corp., built Nordural hf, a state-of-the-art aluminum smelter in Iceland. Mr. Peterson currently serves on the Board of Directors of Nordural hf and was the General Manager in 1998-1999 as the smelter was starting up.

Mr. Peterson also currently serves on the Board of Directors of American Capital Strategies, Inc., a NASDAQ-listed company (symbol: ACAS) and the Washington Policy Center, a non-profit think-tank supporting free-market solutions in business and government.

The proposed transactions also contemplate that members of the senior management team of CTC Communications will remain employed by the reorganized company, as more fully described below. Thus, CV Broadband's acquisition of CTC Communications will bring together the experienced management team already in place at CTC Communications with Mr. Peterson's broad and deep experiences owning, managing, developing and growing telecommunications and other domestic and global businesses. Under Mr. Peterson's leadership, this management team is well qualified to manage, operate and expand CTC Communications.

2. Technical Qualifications

CV Broadband possesses the technical expertise to control CTC Communications. As described above, Mr. Peterson, Manager and President of CV Broadband, holds ownership and managerial interests in various domestic and global telecommunications enterprises through CV Corp., CV Broadband's parent. These

enterprises provide a wide array of telecommunications services, including fixed wireless, satellite, dark fiber and transoceanic fiber optic transmission. For each of these enterprises, Mr. Peterson relies on the skill and knowledge of exceptionally trained and highly qualified technical experts.

In managing the technical operations of CTC Communications, Mr. Peterson and CV Broadband will draw upon the skills of CTC Communications' existing team of technical experts led by Russell B. Oliver. Mr. Oliver joined CTC Communications in 1999 as Vice President, Network Operations where he is responsible for the management, maintenance and growth of the company's Integrated Communications Network, PowerPath Network. Prior to joining CTC Communications, Mr. Oliver was the Vice President of Network Systems Integration for Williams Communications ("WilTel"), where he was responsible for NSI operations throughout North America and participated in the selection, acquisition and integration of companies that fit the vision of the Williams Companies. Mr. Oliver has over 16 years of senior level experience in communications, networking, and operations and serves on the Board of Directors of BICSI.

CV Broadband is technically qualified to continue providing the telecommunications services currently provided by CTC Communications and expanding such offerings in the future.

3. Financial Qualifications

As demonstrated above, CV Corp. has substantial and broad-based operations and, as a result, has access to significant financial resources. CV Broadband will therefore have access to capital necessary to acquire CTC Communications and fund the company's continuing operations. Because CV Corp. and CV Broadband are privately held, however, financial information related to those entities is not publicly available. Accordingly, at the Commission's request, financial information relating to CV Corp. and CV Broadband will be provided under seal.

B. CTC Communications Group

CTC Communications is a privately held corporation organized and existing under the laws of the Commonwealth of Massachusetts with principal offices located at 220 Bear Hill Road, Waltham, MA 02451-1101. CTC Communications is a wholly owned subsidiary of CTC Communications Group, Inc. ("CTC Group"), a publicly held Delaware Corporation with principal offices also located at 220 Bear Hill Road Waltham, MA 02451-1101. No entity currently owns a majority of CTC Group's outstanding voting common stock.

In Georgia, CTC Communications is authorized to resell interexchange

services pursuant to Certificate R-334, issued in Docket No. 5891-U on November 25, 1998. Further information concerning CTC Communications' legal and technical qualifications to provide service was submitted with its application for certification with the Commission and is, therefore, a matter of public record. CTC Communications respectfully requests that the Commission take official notice of that information and incorporate it herein by reference. Further information regarding CTC Communications' management team is provided under Section III below.

II. CONTACT INFORMATION

Questions or inquiries concerning this filing may be directed to the following counsel for the Parties:

For CV Broadband:

Jonathan S. Marashlian, Esq. The Helein Law Group, P.C. 8180 Greensboro Drive, Suite 700 McLean, Virginia 22102 (703) 714-1313 (Tel) (703) 714-1330 (Fax) JSM@thlglaw.com (Email)

For CTC Communications:

Jean L. Kiddoo, Esq.
Edward S. Quill, Jr., Esq.
Swidler Berlin Shereff Friedman, LLP
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Washington, DC 20007-5116
(202) 424-7500 (Tel)
(202) 424-7645 (Fax)
JLKiddoo@swidlaw.com (Email)
ESQuill@swidlaw.com (Email)

III. DESCRIPTION OF THE TRANSACTIONS

The Parties propose to complete a series of transactions ("Transactions") whereby CV Broadband will acquire the common stock of CTC Group, as reorganized pursuant to Chapter 11 of the Bankruptcy Code. In order to obtain Bankruptcy Court approval of and complete the proposed Transactions, CTC Group, CV Corp. and CV

Broadband have entered into an Investment Agreement dated as of August 6, 2003 ("Agreement"). The Agreement provides that CTC Group will file and execute a Plan of Reorganization ("Plan") whereby the outstanding stock of CTC Group will be cancelled, debts and obligations of CTC Group and CTC Communications to existing creditors will be treated and discharged under the Plan, and CTC Group will issue new shares of common stock to CV Broadband in return for a total purchase price of thirty-two million dollars (\$32 million). Subsequently, upon consummation of the Plan and Agreement, CTC Group and CTC Communications will emerge from bankruptcy. Immediately following the consummation of the Plan, CTC Group will become a direct wholly owned subsidiary of CV Broadband and CTC Communications will therefore become a wholly owned indirect subsidiary of CV Broadband.²

The proposed Transactions will be completed at the holding company level and consummation of the Transactions will not result in any transfer or assignment of CTC Communications' operating authority or customers or result in a name change by CTC Communications. CTC Communications will continue to conduct its operations in substantially the same manner in which those operations are currently conducted. Immediately after the Transactions are completed, CTC Communications' customers will continue to receive service under the same rates, terms and conditions that currently apply to CTC Communications' services. As a result, the proposed Transactions will be entirely transparent to CTC Communications' customers in terms of the services that they receive.

The proposed Transactions are also not expected to materially change most of CTC Communications' current management team which is expected to continue to oversee CTC Communications' operations both during and after the completion of the Transactions. CTC's senior management team, all of whom except Mr. Peterson currently hold responsibility for overseeing CTC Communications' operations, will consist of exceptionally well-qualified individuals, including:

Kenneth D. Peterson, Jr., Manager & President -

Mr. Peterson is the owner and Chief Executive Officer of Columbia Ventures Corporation and Manager and President of Columbia Ventures Broadband, LLC. Mr. Peterson has extensive experience managing telecommunications enterprises. He is presently a member of the Board of Directors of several telecommunications companies,

A copy of the voluminous Agreement and other bankruptcy court filings will be provided upon request.

² An organization chart illustrating the organizational control of CTC before and after the Transactions is provided as Exhibit A.

> including: Globalstar Australia, a satellite telephony and data services throughout Australia; PocketiNet provider offering services Communications, Inc., a fixed wireless Internet Service Provider serving rural markets in the Pacific Northwest; Og Vodafone, a fullservice, publicly traded competitive telecommunications company in Iceland; and, the group of companies making up Hibernia Atlantic, a state-of-the-art fiber optic cable between North America and Europe. Mr. Peterson is also the Manager of Fiberlink, LLC, the owner/operator of a 300-mile dark optical fiber network in and between Spokane, Washington and Coeur D'Alene, Idaho. Mr. Peterson graduated with a J. D. degree from Willamette University's College of Law in 1980. He earlier graduated with High Honors from The College of William and Mary and is a member of Phi Beta Kappa.

John D. Pittenger, Executive Vice President, Chief Financial Officer—
Mr. Pittenger joined CTC Communications Corp. in 1989 and is
Executive Vice President and Chief Financial Officer. Mr. Pittenger
has served as Chief Financial Officer, Treasurer and Clerk of CTC
Communications since 1989. Prior to 1989, Mr. Pittenger was Chief
Financial Officer of Comm-Tract Corp., a company that installs and
services voice and data communications systems. Mr. Pittenger has
over 18 years experience in Telecommunications financial and
accounting disciplines. Mr. Pittenger holds a MBA from Babson
College Graduate School of Business and an undergraduate degree
from Dartmouth College.

Anthony D. Vermette, Vice President, Sales -

Mr. Vermette joined CTC in 1987 and was appointed Vice President, Sales in 1995. Prior to 1995, Mr. Vermette held a variety of positions with CTC including Branch Manager, Director of Market Development, and Vice President Sales and Marketing for New England Operations. He has 17 years of experience in Technology Sales and Service. Mr. Vermette is a graduate of Central Maine Technical College.

Russell B. Oliver, Vice President, Network Operations -

Mr. Oliver joined CTC in 1999 as Vice President, Network Operations where he is responsible for the management, maintenance and growth of the company's Integrated Communications Network, PowerPath Network. Prior to joining CTC, Mr. Oliver was the Vice President of Network Systems Integration for Williams Communications (WilTel), where he was responsible for NSI operations throughout North America and participated in the

selection, acquisition and integration of companies that fit the vision of the Williams Companies. Mr. Oliver has over 16 years of senior level experience in communications, networking, and operations and serves on the Board of Directors of BICSI. In 1995 was awarded the organization's David Blythe Award for Distinguished Service. Mr. Oliver is a graduate of Worcester State College and holds a BS in communications technology.

IV. PUBLIC INTEREST CONSIDERATIONS

The Parties respectfully submit that the proposed Transactions serve the public interest. In particular, the Parties submit that (1) CV Broadband holds the managerial, technical, and financial qualifications to acquire control of CTC Communications; (2) the Transactions will benefit competition in the Georgia telecommunications market by enabling CTC Communications to resume its growth as an effective competitor in the State; and (3) the Transactions will assure that there is no disruption of service and will be virtually transparent to existing CTC Communications customers.

As demonstrated above, CV Broadband is well qualified, managerially, technically and financially, to control CTC Communications. CV Broadband is 100% owned and operated by the independent holding company, CV Corp., which in turn is 100% owned and operated by CV Broadband's Manager and President, Kenneth D. Peterson, Jr. CV Broadband has substantial financial wherewithal and access to ample capital through its parent, CV Corp. Furthermore, Mr. Peterson is an accomplished manager of diverse domestic and global telecommunications enterprises and other businesses. CV Broadband will also draw upon the managerial and technical abilities of existing CTC Communications executives, who have extensive experience in the telecommunications industry. The above qualifications considered, approval of the transactions and transfer of control of CTC Communications to CV Broadband serves the public interest.

CTC Communications' current financial position has effectively precluded it from growing as a competitor in the telecommunications market. As a practical matter, although no services to customers have been discontinued or interrupted as a result of CTC Communications' bankruptey, CTC Communications not been able to compete effectively for new customers or expand its business operations during this period. In particular, CTC Communications' ability to purchase goods and services from suppliers needed to expand its operations has been particularly hampered by its bankruptcy status. Moreover, because some of its competitors have capitalized on the uncertainty inherent in bankruptcy, CTC Communications has also seen an erosion in its customer base during this time.

The Transactions will further the public interest by fostering competition. The completion of the proposed Transactions will remove the financial and operational factors that currently constrain CTC Communications, thereby allowing CTC Communications to once again compete effectively in the Georgia telecommunications market and continue to offer alternative high-quality, competitively priced telecommunications service to Georgia customers. As a result, the proposed Transactions are expected to increase competition in Georgia and provide Georgia customers a stronger alternative to incumbent and other competitive long distance service providers.

Existing customers, in particular, will realize significant public interest benefits from the proposed Transactions. The proposed Transactions will allow CTC Communications to avoid liquidation and ensure that existing customers will continue to receive service from CTC Communications without disruption, interruption or customer migration. Those customers will continue to receive the same high quality, affordable telecommunications services that they currently receive. The proposed Transactions are not expected to result in a change in the name under which CTC Communications operates or an impairment of CTC Communications' well-qualified telecommunications management team. CTC Communications will therefore emerge from bankruptcy in a manner that is virtually transparent to existing customers.

Given that CTC Communications' customer base continues to erode and that it is unable to compete effectively as a result of its capital constraints and the uncertainty of its current financial position, the Parties hope to complete the proposed acquisition as quickly as possible. Rapid completion of the Transaction is a critical factor both in order to avoid interruption of service or other inconvenience to existing customers and to ensure that CTC Communications emerges as a viable competitor. Accordingly, the Parties respectfully request that the Commission expedite the processing of this filing and grant any required authority as soon as possible.

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V. CONCLUSION

For the reasons stated above, the Parties respectfully submit that the public interest, convenience, and necessity would be furthered by completion of the proposed Transactions. Indeed, failure to grant it would directly harm the public interest. In light of the exigent circumstances and, in particular the need to ensure continuity of service to existing customers, the Parties respectfully request expedited review and, to the extent required, approval of this filing to permit the Parties to consummate the proposed Transactions as soon as possible.

Respectfully submitted,

Jonathan 8. Marashlian

THE HELEIN LAW GROUP, P.C.

8180 Greensboro Drive,

Suite 700

McLean, Virginia 22102

(703) 714-1313 (Tel)

(703) 714-1330 (Fax)

JSM@thlglaw.com (Email)

Counsel For Columbia Ventures Broadband LLC

Jean L. Kiddoo Edward S. Quill, Jr.

SWIDLER BERLIN SHEREFF FRIEDMAN, LLP

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JLKiddoo@swidlaw.com (Email)

ESQuill@swidlaw.com (Email)

Counsel for CTC Communications Corp.

EXHIBITS

Exhibit A

Organization Chart

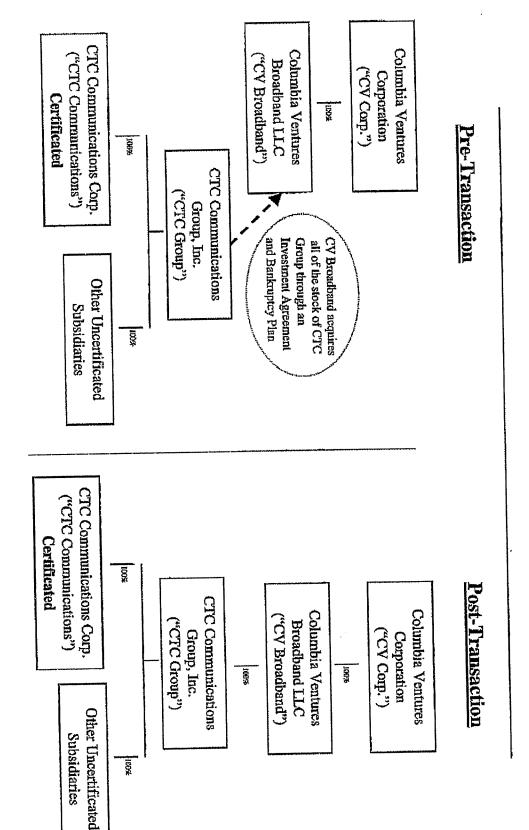
Verifications

Exhibit A

Organization Chart

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CV Broadband/CTC Communications Illustrative Chart



Verifications

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VERIFICATION

I, Kenneth D. Peterson, Jr., acting on behalf of Columbia Ventures Broadband LLC, first being duly sworn upon oath depose and say I am the Manager and President of Columbia Ventures Broadband LLC; that I am authorized to make this statement on its behalf; that I have read the above and foregoing filing and know the contents thereof; and that said contents are true in substance and in fact, except as to those matters stated upon information and belief, and as to those, I believe same to be true.

Kenneth D. Peterson, Jr./
Manager and President
Columbia Ventures Broadband LLC

Commonwealth of Massachusetts)
County of Middlesex)

Subscribed and sworn to before me this 13 day of August, 2003.

Notary Public

My Commission Expires: 2/14/08

VERIFICATION

COMMONWEALTH OF MASSACHUSETTS

ss.

COUNTY OF MIDDLESEX

I, John D. Pittenger, being first duly sworn, state that I am Executive Vice President of CTC Communications Corp., a party to the foregoing filing; that I am authorized to make this Verification on its behalf; and that the contents of the foregoing filing are true and correct to the best of my knowledge, information, and belief.

Name: John D\ Pittenger

Title: Executive Vice President

CTC Communications Corp.

Sworn and subscribed before me this _____ day of August, 2003.

My commission expires __2/14/08

EXHIBIT B

COMMISSIONERS:

ROBERT B. BAKER, JR., CHAIRMAN DAVID L. BURGESS H. DOUG EVERETT ANGELA E. SPEIR STAN WISE



SEP 0 9 2003

EXECUTIVE SECRETARY

DEBORAH K. FLANNAGAN EXECUTIVE DIRECTOR

REECE McALISTER **EXECUTIVE SECRETARY**

Georgia Public Service Confinission

(404) 656-4501 (800) 282-5813

244 WASHINGTON STREET, S.W. ATLANTA, GEORGIA 30334-5701 FAX: (404) 656-2341 www.psc.state.ga.us

LETTER ORDER Docket No. 5891-U

September 4, 2003

589/

589/

Jonathan S. Marashlian, Esq. The Helein Law Group, P.C. 8180 Greensboro Drive, Suite 700 McLean, VA 22102

Columbia Ventures Broadband LLC and CTC Communications Corp. Re:

Dear Mr. Marashlian:

On August 19, 2003, Columbia Ventures Broadband LLC ("CV Broadband") and CTC Communications Corp. ("CTC Communications" and, together with CV Broadband, the "Parties") filed a notice with the Georgia Public Service Commission ("Commission") advising of a series of transactions whereby CTC Communications will become an indirect wholly owned subsidiary of CV Broadband and an indirect wholly owned subsidiary of CV Broadband's parent, Columbia Ventures Corporation. As more fully explained in the notice, the proposed transactions will not change the rates, terms or conditions of CTC Communications services, the proposed transactions will be entirely transparent with respect to services provided to CTC Communications' Georgia customers.

CTC Communications is certified in Georgia to resell interexchange telecommunications services pursuant to Certificate of Authority number R-334.

During its Administrative Session of September 2, 2003, the Commission considered the above-referenced item and found it to be reasonable and proper. The Commission also found that it was appropriate without the need for a hearing in this matter. Approval of this transaction is expressly based on the representation contained in the notice filed on August 19, 2003. The Commission reserves the right to later revisit this matter and issue any further orders as it may deem necessary.

Wherefore, it is

ORDERED, that the notice filed by Columbia Ventures Broadband LLC and CTC Communications Corp. advising of a series of transactions whereby CTC Communications Corp. will become and indirect wholly owned subsidiary of Columbia Ventures Broadband LLC and an indirect wholly owned subsidiary of Columbia Ventures Broadband LLC's parent, Columbia Ventures Corporation. is hereby approved.

ORDERED FURTHER, that the authority granted herein is contingent upon the approval of any other regulatory body having jurisdiction over this matter.

ORDERED FURTHER, that within 30 days of completion of the financing transaction, the Company shall file a full and complete report on the final disposition.

ORDERED FURTHER, that the Commission hereby waive a hearing in this matter.

ORDERED FURTHER, that jurisdiction over this matter is expressly retained for the purpose of entering such further order or orders, as this Commission may deem just and proper.

ORDERED FURTHER, that a motion for reconsideration, rehearing, or oral argument or any other motion shall not stay the effective date of this Order, unless otherwise ordered by the Commission.

The above by action of the Commission in Administrative Session on September 2, 2003.

Reece McAlister

Executive Secretary

DATE: 4-8-03

Robert B. Baker, Jr.

Chairman

DATE: SINT. 8, 200

RM/RBB/MRussell/rp

cc: Consumers' Utility Counsel Division

Jean L. Kiddoo, Esq., Swidler Berlin Shereff Friedman, LLP

EXHIBIT C

Tulcommunications
E Commetcs
Technology
Corporate & Finance
Tradomarks
Froprietary Filghis
Complex Litigation
General Business Law

The Helein Law Group, P.C.

8180 Greensboro Drive Suite 700 McLeen, VA 22102

(703) 714-1300 (Telephone) (703) 714-1330 (Facsimile) mail@thlglaw.com

Management Consulting Group GTC Consultants, Inc. (703) 714-1307 (Telephone)

Writer's Direct Dial Number

(703) 714-1313

December 19, 2003

jsm@dddgfaw..com

Writer's Email Address

VIA OVERNIGHT COURIER

Reece McAlister, Executive Secretary Georgia Public Service Commission 244 Washington Street, S.W. Atlanta, Georgia 30334

Re: Docket No. 5891

RECEIVED

DEC 2 2 2003

EXECUTIVE SECRETARY G.P.S.C.

Notice of Consummation of Transfer of Control of CTC Communications, Corp. to Columbia Ventures Broadband, LLC

Dear Mr. McAlister:

On behalf of Columbia Ventures Broadband, LLC ("CV Broadband"), its attorneys hereby provide notice of the consummation of the transfer of control of CTC Communications Corp. ("CTC") to CV Broadband.

Notice of Consummation

On December 17, 2003, CTC Group announced that its Second Amended Joint Plan of Reorganization became effective and that its acquisition by CVC was completed on December 16, 2003. See Press Release at Attachment 1. The acquisition by CVC resulted in the concurrent transfer of control of the telecommunications licenses held by CTC to CV Broadband, including the license subject to the above-captioned docket.

As indicated in the parties' Notice, the transactions were completed at the holding company level and therefore did not result in any transfer or assignment of CTC's operating authority or customers. Furthermore, immediately after the closing of the transactions, CTC's name remains the same and CTC's customers continue to receive service under the same rates, terms and conditions that applied previously.

An additional copy of this filing is also enclosed, to be date-stamped and returned in the postage prepaid envelope provided.

Should there be any questions with regard to this matter, kindly contact the undersigned.

Respectfully submitted,

Jonathan S. Marashlian Regulatory Counsel

cc: James Prenetta

ATTACHMENT 1

Press Release

1



about ctc solutions careers contact ctc log in home

CTC Communications emerges from Chapter 11 and is acquired by Columbia Ventures Corporation

12/17/2003

WALTHAM, MA December 17, 2003 - CTC Communications Group, Inc., the largest competitive local exchange carrier in New England with over 10,000 customers and over 370,000 access line equivalents announced that its Second Amended Joint Plan of Reorganization has become effective and that its acquisition by Washington-based Columbia Ventures Corporation (CVC) has been completed. As previously announced the Plan was accepted by an overwhelming majority of Court for the District of Delaware on November 24, 2003

Kenneth D. Peterson, Jr., CVC's Chairman and the new President of CTC Communications stated, "I am very pleased to welcome CTC Communications to the Columbia Ventures family of companies. I am certain that CTC's IP-based PowerPath® Network, coupled with some of the best employees in the industry and a very strong balance sheet, will enable CTC to expand its position as a preeminent competitive telecommunications provider in the Northeast and Mid-Atlantic regions."

Peterson added, "We wish to thank all of CTC's customers for their ongoing commitment during the past 15 months and look forward to expanding CTC's customer base and providing all of its customers with CTC's industry leading customer service and a comprehensive suite of fixed line products and services."

Michael Katzenstein, CTC's outgoing Interim CEO and a principal of restructuring and turnaround manager CXO, L.L.C., said "CTC's turnaround was the result of the efforts of all involved — CTC's dedicated employees, its creditors, its investment banker, Miller, Buckfire, Lewis & Ying, and the professionals from CXO, L.L.C. Katzenstein added, "It's been a pleasure working with CTC's Board and management and with new owner Columbia Ventures. With its valuable customer base, world-class network, strong team - and new sponsorship - I am confident of CTC's future success."

Further Information:

John D. Pittenger Chief Financial Officer CTC Communications (781) 466-1302

Richard A. Roman Chief Operating Officer and Chief Financial Officer Columbia Ventures Corporation (360) 882-1052 CTC Communications - About CT

About CTC

CTC is a "next generation" integrated communications carrier utilizing advanced technology and providing its customers with converged voice, data, Internet and video services on a broadband, packet-based network, called the PowerPath® Network. The Company serves medium and larger business customers from Virginia to Maine, which includes the most robust telecommunications region in the world — the Washington D.C. to Boston corridor. CTC's Clsco Powered IP+ATM packet network and its top-tier sales and service teams provide contiguous marketing and technology coverage throughout the Northeast and Mid-Atlantic States. The Company, through its dedicated commitment to exceptional customer service, has achieved an industry-leading market share in the Northeast. CTC can be found on the web at www.ctcnet.com.

About Columbia Ventures Corporation and Columbia Ventures Broadband

Columbia Ventures Corporation owns and operates telecommunications and industrial businesses, including Hibernia Atlantic, a transatlantic fiber optic network with landing stations in Boston, Halifax, Liverpool and Dublin. The Hibernia Atlantic system includes a fully protected terrestrial system linking Boston via New York City. CVC also operates a fiber optic metropolitan network in Spokane, Washington and is the largest shareholder in Og Vodafone, the second largest telecommunications provider in Iceland. The industrial businesses of CVC include Nordural, an aluminum smelter developed and constructed by CVC in Iceland, as well as aluminum manufacturing and fabrication operations in the United States ands Mexico. CVC and its related businesses began operations in 1987. The company's headquarters are located in Vancouver, Washington.

Web Sile User Adreement Online Privacy Policy

Calling Card International Access Codes

Please send feedback to website feedback@ctoneLoom @Copyright 2003, stonet and CTC Communications

EXHIBIT D



The service you want. The technology you need.

MECLIVED

AUG 6 2006

EXECUTIVE SECRETARY G.P.S.C.

August 8, 2006

VIA UPS

Reece McAlister
Executive Secretary
Georgia Public Service Commission
244 Washington Street
Atlanta, GA 30334

DOCKET # 5891

FROM # 94652

Re:

Informational Filing - CTC Communications Corp. -- Addition of a

Fictitious Name

Dear Secretary McAlister:

CTC Communications Corp. (the "Company"), an authorized telecommunications carrier in Georgia¹, hereby respectfully notifies the Georgia Public Service Commission ("Commission") that it has adopted a fictitious name for use in Georgia. The Company has adopted the d/b/a "One Communications."

As the Commission is aware, CTC Communications Group, Inc. has merged with and into One Communications Corp. (f/k/a Choice One Communications Inc.), with One Communications Corp., the ultimate parent of the Company, surviving the merger. This change in control did not involve the transfer of operating authorities, assets or customers – the Company will continue to offer the same services at the same rates, terms and conditions. However, to avoid customer confusion, the Company has adopted a d/b/a using the "One Communications" name. The adoption of this d/b/a by the Company will also enhance its ability to market its services, thereby benefiting consumers in Georgia.

A copy of the authorization from the Secretary of State for the Company to use the approved d/b/a is appended hereto as $Exhibit \Lambda$. The Company does not believe prior

See Docket No. 5891-U, dated June 5, 1997 (intrastate interexchange service).

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DC01/SMITD/Z50049-1

approval for the use of this fictitious name is required. To the extent, however, that any such Commission approval is required, the Company respectfully requests such approval.

Appended hereto as *Exhibit B* are an original and 3 copies of the Company's tariff, revised to reflect the fictitious name, which is being filed on 7 days notice. Please note that nothing substantive has changed in the tariff; the only change is the addition of the Company's fictitious name. Regarding customer notice, customers of the Company will receive written notice of the fictitious name through a bill notification. Both the Company name and the fictitious name will appear on the billing statements for a period of two months. To the extent that any customers have questions about the fictitious name appearing on their bills, the Company will respond to such inquiries individually.

Enclosed please find a duplicate of this filing, 16 copies and a self-addressed, postage-paid envelope. Please date-stamp the duplicate upon receipt and return it in the envelope provided. We trust this letter provides the information required in this matter. Thould the Commission have any questions or believe that any further information is required, please contact Pamela Hintz at (781) 622-2116.

Respectfully sucmitted

Pamela L. Hintz

Vice President of Regulatory Compliance

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ONE COMMUNICATIONS CORP.

220 Bear Hill Road

Waltham, MA 02451

Enclosures

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PAGE DE	221

APPLICATION TO REGISTER A BUSINESS TO BE CONDUCTED UNDER A TRADE NAME

STATE OF Georgia COUNTY OF: <u>Gwinnett</u>	OLEIK SLAFE GYRNEITI 11 OM LAWL
THE UNDERSIGNED HEREBY CERTIFIES THAT (THE	IY ARE) (IT IS) (HE IS) CONDUCTING A HUSINESS OF C
AT 3761 Venture Drive	
CITY OF Duluth , COUNT	Y OF Gwinnett, STATE OF GEOROTA
UNDER THE NAME:	
One Communications	,
TRADI	ENAME
AND THAT THE TYPE OF BUSINESS TO BE CONDU	CTED IS:
Telecommunications products and services	
NAME(S) CTC Communications Corp.	ADDRESS(ES) 220 Bear Hill Road Waltham, MA 02451
THIS AFFIDAVIT IS MADE IN ACCORDANCE WITH APPROVED AUGUST, 1929; AMENDED MARCH, 19 SWORN TO AND SUBSCRIBED BEFORE ME THIS	149 AND MARCH, 1943
RECORDED:	•

CTC Communications Corp. (d/b/a ONE Communications)

Page 1 First Revised

received

AUG 4 9 2006

GEORGIA TELECOMMUNICATIONS TARIFF

EXECUTIVE SECRETARY G.P.S.C.

OF

CTC COMMUNICATIONS CORP.

d/b/a ONE COMMUNICATIONS

220 Bear Hill Road

Waltham, Massachusetts 02451

This tariff includes the rates, charges, terms and conditions of service for the provision of competitive intrastate Interexchange telecommunications services by CTC Communications Corp. (d/b/a ONE Communications) (the "Company" or "ONE Communications") between locations within the State of Georgia. This tariff is on file with the Georgia Public Service Commission. Copies may be inspected during normal business hours at the Company's principal place of business at 220 Bear Hill Road, Waltham, Massachusetts 02451.

Issued: August 9,2006

Effective: September 11,2006

Pamela L. Hintz Vice President of Regulatory Compliance 220 Bear Hill Road Waltham, MA 02451 CTC Communications Corp. (d/b/a ONE Communications)

Page 2 Second Revised

CHECK SHEET

The Title Sheet and sheets 1 through 24, inclusive, of this tariff are effective as of the date shown at the bottom of the respective sheet(s). Original and revised sheets as named below comprise all changes from the original tariff and are currently in effect as of the date on the bottom of this page.

SHEET	REVISION
1	First *
2	Second *
3 4	Original
	Original
5 6	Original
	First
7 8 9	Origina i
8	Original
	Original
10	Orlginal
11	"Orlginal
12	Original
13	Original
14	Original
15	Original
16	Original
17	Original
18	Original
19	Original
20	Original
21	Original
22	First
23	First
24	Original

Issued: August 9,2006

Effective: September 11,2006